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C O N F I D E N T I A L KATHMANDU 002743

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TAGS: [PGOV](#) [PINS](#) [PHUM](#) [NP](#)
SUBJECT: KING RESHUFFLES CABINET

REF: A. KATHMANDU 2042
[1](#)B. KATHMANDU 1521
[1](#)C. KATHMANDU 2556

Classified By: Charge Elisabeth Millard. Reasons 1.4 (b/d).

Cabinet Reshuffle

[1](#)1. (SBU) On December 7, King Gyanendra reshuffled his cabinet for the third time since February 1, keeping both Vice Chairmen Tulsi Giri and Kirti Nidhi Bista, and Foreign Minister Ramesh Nath Pandey. He did not appoint a Prime Minister. The King included 18 new faces (four new to national government service) in the 35 member cabinet, which includes two vice chairmen, 12 ministers, 7 state ministers and 14 assistant ministers. The King removed several controversial ministers from his cabinet, including Home Minister Dan Bahadur Shahi and Assistant Minister for Education and Sports Senate Shrestha (fertilizer scandal, ref A), Minister for Women, Children and Social Welfare Durga Shrestha (misuse of government vehicles), Assistant Minister for Physical Planning and Works (hooliganism, ref B) and Finance Minister Madhukar Shumser Rana. The King gave the Chairmen of the Rastriya Prajantantra Party (the third largest party in the dissolved House of Representatives), the recently formed Prajatantrik Nepal Party, and the Nepal Samata Party seats as ministers in the new cabinet. The portfolios of the ministers are as follows:

Chairman King Gyanendra

Vice Chairmen

- 1 Dr Tulsi Giri- Minister for Water Resources
- 2 Kirtinidhi Bista

Ministers

- 3 Badri Prasad Mandal- General Administration
- 4 Keshar Bahadur Bista- Agriculture and Cooperatives
- 5 Ramesh Nath Pandey- Foreign Affairs
- 6 Radha Krishna Mainali- Education and Sports
- 7 Kamal Thapa- Home
- 8 Buddiman Tamang- Industry, Commerce and Supply
- 9 Salim Miya Ansari- Forest and Soil Conservation
- 10 Prakash Koirala- Environment and Science and Technology
- 11 Narayan Singh Pun- Land Reform and Management
- 12 Buddhi Raj Bajracharya- Without Portfolio
- 13 Tanka Dhakal- Local Development
- 14 Niranjana Thapa- Law, Justice and Parliamentary Affairs

State Ministers

- 15 Rabindra Khanal- Labour and Transport Management
- 16 Dr Roop Jyoti- Finance
- 17 Yankila Sherpa- Culture, Tourism and Civil Aviation
- 18 Mani Lama- Health and Population
- 19 Brajesh Kumar Gupta- Physical Planning and Works
- 20 Dr Durga Pokharel- Women, Children and Social Welfare
- 21 Shreesh Shumsher Rana- Information and Communications

Asst. Ministers

- 22 Hari Shankar Pariyar- Forest and Soil Conservation
- 23 Binod Kumar Shah- Water Resources
- 24 Chhaka Bahadur Lama- Physical Planning and Works
- 25 Golchhe Sarki- Women, Children and Social Welfare
- 26 Nikshya Shumsher Rana- Health and Population
- 27 Govind Chaudhary- Agriculture and Cooperative
- 28 Yagna Bahadur Budathoki- Land Reform and Management
- 29 Toran Bahadur Gurung- General Administration
- 30 Roshan Karki- Local Development
- 31 Bhuwan Pathak- Education and Sports
- 32 Rajesh Kaji Shrestha- Industry, Commerce and Supply
- 33 Tek Narayan Rajbanshi- Labour and Transport Management
- 34 Pratap Ram Lohar- Environment and Science and Technology
- 35 Sonelal Yadav- Home

RPP Background of Many Newly Appointed Ministers

12. (SBU) Six of the central members of the Rastriya Prajantantra Party (RPP) have been brought into the new cabinet, including Home Minister Kamal Thapa. Thapa is a career politician who earned a reputation as an opportunist in 1996 when he repeatedly changed sides during Parliamentary maneuvering to bring down the Sher Bahadur Deuba government. Thapa served as Foreign Minister in 1997, and Minister of Information and Communications in 2003. He was active in the peace process at that time and was allotted the additional portfolio of Home Affairs from March to November 2004. Narayan Singh Pun, President of the Nepal Samatra Party, is the Land Reform and Management Minister. Pun, a retired Royal Nepalese Army Colonel who served as a pilot for 22 years, was elected to the House of Representatives in 1999 from the Nepali Congress Party and was appointed Assistant Minister for Tourism and Civil Aviation in 1999. After serving as a Minister in Prime Minister Chand's cabinet in 2002, Pun coordinated directly between the Palace and the Maoists, and was appointed Chief Government Negotiator in January 2003, until the resignation of Chand in May 2003. Buddhiman Tamang, also an RPP member, is the new Minister of Industry, Commerce and Supplies. Tamang was most recently Minister of Physical Planning and Works in Thapa's 2003 cabinet. Tamang is known as a staunch supporter of Surya Bahadur Thapa and was one of 13 Council of Ministers who supported Thapa during the no-confidence motion which brought down Thapa's government. Dr. Roop Jyoti, the new Finance Minister, is seen as being very close to the business community in Nepal as he was Assistant Finance Minister and comes from the Jyoti Group, an influential industrial house. Shreesh Shumsher Rana, the new Communications Minister, is rumored to have been working behind the scenes with the Palace before the announcement.

Lukewarm Reaction of Political Leaders

13. (C) While skeptical of the King's move, Party leaders did admit the new ministers had better reputations than the people they replaced. Jhalanath Khanal, Central Committee Member of the (UML), called this cabinet "a little better than the previous one," as the corrupt ministers had been ousted. Khanal noted that the King was trying to show support from different political parties, but by not including the major Parties he only showed that he did not care about them. Hridayesh Tripathi, General Secretary of the Nepal Sadbhavana Party-Anandidevi, agreed that ousting corrupt ministers was "good," but noted it would not fundamentally change the political situation of the country. Tripathi said

that the reshuffle showed that the King intended to continue with his plan for municipal elections, which Tripathi believed would enable the King to continue to be an active monarch with no plan to hand over power to the people. Minendra Rijal, Spokesperson of the Nepali Congress (Democratic), said the reshuffle showed no sign of willingness to compromise from the King, and noted it was "unfortunate for the King and the monarchy."

New Minister's Surprised Reaction to Appointment

14. (C) Dr. Durga Pokharel, new State Minister for Women, Children and Social Welfare, was attending an informal gathering of woman leaders at Emboff's home when she learned of her appointment. She told Emboff that Vice-Chairman Giri had called her two weeks ago and asked if she wanted the position, but made no mention of a time frame. Emboff said that Pokharel appeared genuinely surprised and that all in attendance welcomed the news.

Comment

15. (C) While the reshuffling of the cabinet removed several controversial ministers, others remained. The move does nothing to increase dialogue between the Palace and the major Parties. The reshuffling is an indication that the King intends to stay the course in promoting municipal elections, while the Parties, along with the Maoists, continue their demand for constituent assembly elections (ref C). The timing of the reshuffle may be linked with the upcoming visit to Kathmandu of Indian Foreign Secretary Shyam Saran. Saran, who previously served as Indian Ambassador to Nepal, will reportedly meet with King.

MILLARD